

## RESPONSE TO PRIVATE CABLE OPERATORS COMMENTS ABOUT THEIR GROWTH AND SUCCESS

It is an irrational thought to believe that locking customers into a bulk service agreements or community long term video contract is somehow creating new and innovative companies. Companies claiming that their growth in subscribers was fueled by superior service is very misleading. Their growth is fueled by expanding their binding obligations into communities and MDU's that do not have the consumers making the choice. To compare their success on the value of their services and customer support is equivalent to comparing the growth in demand for food in prison to the quality of the food itself. Just as prisoner population drives the demand for food services, the number of long-term binding contracts grows these inferior communication companies. This is not a capitalistic business model that should exist in the United States of America. If success of these small, enterprising, and "customer focused" businesses are so competitive, they should not fear competition.

## RESPONSE TO PRIVATE CABLE OPERATORS COMMENTS TO THEIR SURVIVAL BEING DEPENDANT ON THIS DECISION

Any operator that stands behind the defense that their success depends on these long-term consumer damaging contracts should not be in business to begin with. This is not some "government cheese" program that should be subsidized by a small subset of consumers. If they are a great service provider, customers will choose to spend their money with them. If they're not good providers the consumers will force them out. Isn't that what America is all about...free enterprise. It's not a popularity contest; it's about being able to survive in a competitive marketplace. Did Beta VCR manufacturers demand the government to enforce binding purchasing decisions on their products so that VHS VCR manufacturers wouldn't knock them out of business? If a PCO can not be a serious competitor without a franchise or long-term contract in place, it simply should not exist in the marketplace, and certainly not a valid business model.

Why wouldn't the MDU Operators and management open a barbershop/beauty shop in their facilities and demand \$20 per month from every consumer on their property whether they use it or not. Wait a minute...That's a great idea! I think I stumbled upon something "innovative" – wait a minute, it can't be that easy...can it? Can I build a business plan around that and come to the government for enforcement if consumers complain?

Please let the PCO's sink or swim based on their abilities, and NOT mandated "bulk cable rates", franchises, or long-term contracts.

Sincerely,

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